

**Governor  
James E. McGreevey**

**September 2003**

**Commissioner  
Jack Lettiere**

## Governor McGreevey Takes Leadership Role on Funding

Governor McGreevey has taken a national leadership role in the fight to renew the federal transportation program and bring home more funding for New Jersey highway and public transit projects.

At the National Governors Association annual meeting in Indianapolis, the Governor unveiled a bold proposal that would:

- **Reauthorize the federal funding program for six years;**
- **Increase federal funding for highways and public transit by 38 percent over current levels;**
- **Ensure that all Highway Trust Fund user fees are distributed reliably to the states;**
- **Maintain current funding guarantees and budget firewalls;**
- **Maintain the current funding split between highways and public transportation.**

The Governor offered his plan to break an impasse in Washington over reauthorization of the program, called TEA 21, which expires September 30. The Bush Administration has proposed a \$248 billion program, while a group of House Republican leaders has offered a \$375 billion program that would rely on a substantial increase in the federal gas tax.

"Gov. James E. McGreevey has put himself in the middle of the fight over a new federal transportation spending bill," The Star-Ledger editorialized. "It may not be a bad place to be." The newspaper noted the importance of generating more transportation funding for New Jersey.

### The Star-Ledger

Paying for transportation

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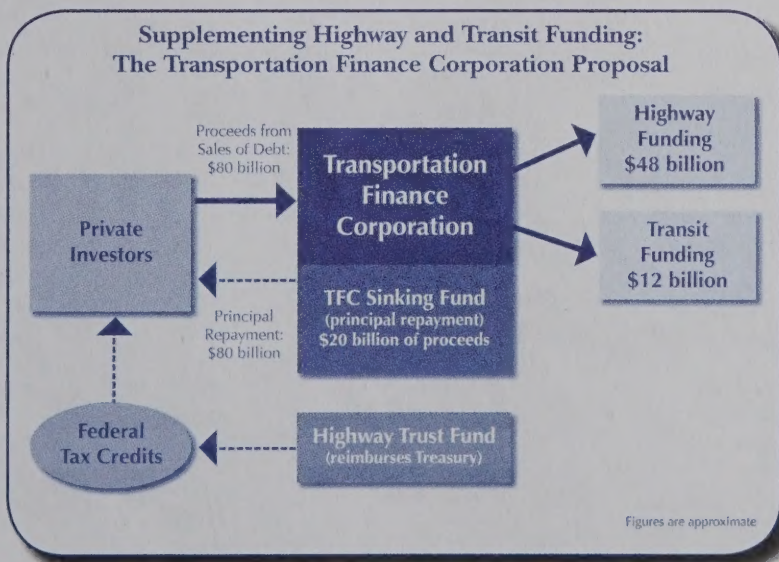
On other editorial pages, the Home News Tribune welcomed the Governor's "new thinking" on transportation while the Asbury Park Press declared the Governor's plan "warrants a serious look."

Governor McGreevey's plan would create a non-profit Transportation Finance Corporation (TFC), which would be empowered to issue \$80 billion in tax credit bonds. The states would receive \$60 billion of the revenue in transportation

aid while the remaining \$20 billion would be held in a "sinking fund" to retire the principal. The \$60 billion would protect public transit's share at \$12 billion.

The plan would avoid a tax increase, which the Bush Administration has made clear it will not support, and would not increase the national budget deficit. In addition, the TFC would serve only as a financing mechanism; Congress would continue to exercise control over funding formulas and allocations to the states.

For New Jersey, the Governor's plan would mean an additional \$2 billion over current funding levels and the means to support 84,000 jobs.





# Governor launches Transportation Trust Fund renewal

With over \$2.5 billion a year at stake for New Jersey's economy, reauthorization of the state's Transportation Trust Fund has been set in motion by Governor McGreevey.

A Blue Ribbon Transportation Commission created by the Governor in January has been examining the state's longterm transportation needs. By the end of the year, the Commission will recommend a strategy for reauthorizing the Trust Fund. Created in 1984, the Trust Fund's current authorization expires next summer. The Trust Fund has generated \$3.75 billion in state transportation funds over the last four budgets.

Prominent New Jerseyans agreed to serve on the Commission, which is chaired by Transportation Commissioner Jack Lettiere. Members include:

- Al Koeppe, president & chief operating officer, PSE&G
- Louis J. Gambaccini, Distinguished Transportation Fellow, National Transit Institute, Rutgers University
- John P. Sheridan, Jr., partner & co-chairman, Riker, Danzig, Scherer, Hyland & Perretti
- Ray Pocino, vice president, Labors International Union of North America
- Barbara Lawrence, executive director, New Jersey Future
- Harry Larrison, Jr., director, Monmouth County Board of Chosen Freeholders
- Robert A. Altenkirch, president, New Jersey Institute of Technology

The need for more transportation funding is becoming increasingly critical. More than \$750 million of worthwhile road projects had to be shelved this year because the funding simply was not there. Unless state and federal funding increases substantially, that gap will balloon to \$1.337 billion next year.

Over the next three years, New Jersey will need \$10.8 billion to maintain our roads and public transit systems. But at current funding levels, only \$7.6 billion can be expected.

The Blue Ribbon Commission is expected to present its strategy for Trust Fund renewal before the end of the year. The Commission has scheduled public outreach meetings:

- Sept. 22 in Vineland Town Hall, between 1 p.m. and 3 p.m.
- Oct. 7 at the Cherry Hill Municipal Building between 2 p.m. and 4 p.m.
- Oct. 20 in Newark at the North Jersey Transportation Planning Authority offices between 9 a.m. and 11 a.m.
- Oct. 22 in New Brunswick at Rutgers University between 6 p.m. and 8 p.m.



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